

Message Text

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21

ACTION EUR-12

INFO OCT-01 IO-04 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05

L-01 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 OMB-01 SAJ-01 COME-00 EB-04 LAB-01 SIL-01

SAM-01 ACDA-05 TRSE-00 CIEP-01 DRC-01 /074 W

----- 034554

R 181112Z OCT 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 5721

INFO AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

USMISSION BERLIN

USMISSION EC BRUSSELS

USMISSION GENEVA

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

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E.O. 11652: N/A

TAGS: PGOV, ELAB, GW

SUBJECT: COMMITTEE HEARINGS ON MITBESTIMMUNG BILL
BEGIN

REF: BONN 01320, 04004, 06261, 10244, 06262, 15676,
16237, 16036, 16346

SUMMARY: BUNDESTAG COMMITTEES HELD OPEN HEARINGS ON
THE GOVERNMENT'S MITBESTIMMUNG BILL ON OCTOBER 16
AND 17. REPRESENTATIVES OF EMPLOYER AND EMPLOYEE
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GROUPS STRONGLY OPPOSED THE BILL ON DIFFERENT GROUNDS.

THE DATE FOR THE NEXT HEARING IS NOVEMBER4
END SUMMARY

1. AGAINST THE BACKGROUND OF COMMENTS BY CHANCELLOR SCHMIDT, DGB PRESIDENT VETTER, FOREIGN MINISTER GENSCHER, AND GOVERNMENT SPOKESMAN BOELLING ON THE ATTITUDE OF THE AMERICAN CHAMBER OF COMMERCE ON MITBESTIMMUNG, BUNDESTAG COMMITTEES HELD PUBLIC HEARINGS ON THE GOVERNMENT MITBESTIMMUNG BILL ON OCTOBER 16 AND 17. REPRESENTATIVES OF THE DGB CONFEDERATION OF GERMAN EMPLOYERS ASSOCIATIONS, THE ASSOCIATION OF GERMAN INDUSTRIALISTS, THE CHRISTIAN TRADE UNIONS, THE WHITE COLLAR WORKERS UNION (DEUTSCHE ANGESTELLTENGEWERKSCHAFT) AND THE UNION OF MANAGERIAL EMPLOYEES TESTIFIED IN A JOINT, OPEN HEARING CONDUCTED BY THE COMMITTEES FOR LABOR AND SOCIAL AFFAIRS, ECONOMIC AFFAIRS, AND LEGAL AFFAIRS. THE COMMITTEES ALSO HEARD SPOKESMEN FROM THE COAL AND STEEL INDUSTRIES, WHERE PARITY MITBESTIMMUNG HAS BEEN IN EFFECT SINCE 1951, AND JUDGES FROM THE FEDERAL LABOR COURT.

2. REPEATING WELL KNOWN ARGUMENTS, BOTH LABOR AND BUSINESS OPPOSED THE BILL. DGB PRESIDENT VETTER ATTACKED THE BILL FOR NOT OFFERING ENOUGH SEATS ON THE BOARDS OF SUPERVISORS TO LABOR REPRESENTATIVES AND FOR SEPARATE REPRESENTATION OF MANAGERIAL EMPLOYEES (LEITENDE ANGESTELLTE). VETTER SAID THAT THE BILL DID NOT OFFER REAL MITBESTIMMUNG AND WAS THEREFORE NOT ACCEPTABLE TO THE DGB, BUT PROMISED THAT THE DGB WOULD RESPECT THE BILL IF THE BUNDESTAG SHOULD PASS IT IN ITS PRESENT FORM.

3. THE INDEPENDENT LABOR ASSOCIATIONS ALSO FOUND FAULT WITH THE BILL. A SPOKESMAN FOR THE GERMAN WHITE COLLAR WORKERS UNION TESTIFIED THAT THE REPRESENTATIVES OF THE SMALLER NON-DGB AFFILIATED UNIONS WOULD BE AT A DISADVANTAGE UNDER THE PROPOSED ELECTORAL SYSTEM AND FOUND THE METHOD FOR RESOLVING TIE VOTES ON THE BOARDS OF SUPERVISORS TOO COMPLICATED.

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THE UNION OF MANAGERIAL EMPLOYEES (UNION DER LEITENDEN ANGESTELLTEN) REPRESENTATIVES OBJECTED BECAUSE THE BILL WOULD NOT APPLY TO THE COAL AND STEEL INDUSTRIES (ALREADY PRACTICING MITBESTIMMUNG ACCORDING TO THE MONTAN FORMULA). LIKE THE WHITE COLLAR WORKERS, THE MANAGERIAL EMPLOYEES OBJECT TO THE VOTING PROCEDURE BECAUSE IT PLACES THEM AT A DISADVANTAGE. BOTH THE CHRISTIAN UNIONS AND THE UNION OF MANAGERIAL

EMPLOYEES CRITICIZED THE BILL FOR STRESSING COLLECTIVE ACTION AND SACRIFICING THE INTERESTS OF THE INDIVIDUAL WORKER.

4. THE CRITICISMS OF THE BILL BY THE PRESIDENT OF THE CONFEDERATION OF GERMAN EMPLOYERS ASSOCIATIONS (BDA), HANS SCHLEYER, WERE MORE GENERAL. HE FAULTED THE BILL FOR ENDANGERING THE ABILITY OF FIRMS TO FUNCTION IN A MARKET ECONOMY AND FOR LEADING TO A DOMINATION OF THE COUNTRY BY THE TRADE UNIONS. SCHLEYER SAID THAT IF PASSED BY THE BUNDESTAG AND UPHELD IN THE

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COURTS, THE BILL WOULD ENDANGER FREE COLLECTIVE BARGAINING WHICH DEPENDS UPON EQUALITY OF EMPLOYER AND EMPLOYEE AND THEIR MUTUAL INDEPENDENCE OF EACH OTHER. SCHLEYER ALSO CRITICIZED THE BILL FOR NOT RESPECTING CONSTITUTIONALLY GUARANTEED PROPERTY RIGHTS.

5. THE TESTIMONY OF THE PRESIDENT OF THE LABOR COURT WAS INCONCLUSIVE. CONTRADICTING SCHLEYER OF THE BDA, UNCLASSIFIED

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HE SAID THAT IF THE PROPOSED BILL IS INTEGRATED INTO THE PRESENT LEGAL SYSTEM, FREE COLLECTIVE BARGAINING WOULD NOT BE ENDANGERED. HOWEVER, HE WARNED THAT LABOR LAW WOULD BE AFFECTED IF MITBESTIMMUNG IS CONCEIVED AS REPRESENTATION ON BOARDS OF SUPERVISORS BY SPECIFIC INTEREST GROUPS.

6. THE MONTAN MODEL ALSO GOT GENERALLY GOOD MARKS FROM SPOKESMEN OF INDUSTRIES NOW OPERATING UNDER IT. IN A BACKHANDED COMPLIMENT, BOTH EMPLOYER AND EMPLOYEE REPRESENTATIVES FOUND THE MONTAN MODEL OF CODETERMINATION TO BE A LESSER EVIL THAN THE BILL UNDER DISCUSSION. COURTS, THE BILL WOULD ENDANGER FREE COLLECTIVE BARGAINING WHICH DEPENDS UPON EQUALITY OF EMPLOYER AND EMPLOYEE AND THEIR MUTUAL INDEPENDENCE OF EACH OTHER. SCHLEYER ALSO CRITICIZED THE BILL FOR NOT RESPECTING CONSTITUTIONALLY GUARANTEED PROPERTY RIGHTS.

5. THE TESTIMONY OF THE PRESIDENT OF THE LABOR COURT WAS INCONCLUSIVE. CONTRADICTING SCHLEYER OF THE BDA, HE SAID THAT IF THE PROPOSED BILL IS INTEGRATED INTO THE PRESENT LEGAL SYSTEM, FREE COLLECTIVE BARGAINING WOULD NOT BE ENDANGERED. HOWEVER, HE WARNED THAT LABOR LAW WOULD BE AFFECTED IF MITBESTIMMUNG IS CONCEIVED AS REPRESENTATION ON BOARDS OF SUPERVISORS BY SPECIFIC INTEREST GROUPS.

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